

Message Text

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43

ACTION L-02

INFO OCT-01 AF-06 EUR-12 NEA-09 ISO-00 CAB-02 CIAE-00

COME-00 DODE-00 DOTE-00 EB-07 INR-07 NSAE-00 FAA-00

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R 211224Z APR 75

FM AMEMBASSY MONROVIA

TO SECSTATE WASHDC 0000

INFO AMEMBASSY ABIDJAN

AMEMBASSY ACCRA

AMEMBASSY BAMAKO

AMEMBASSY BRUSSELS

AMEMBASSY DAKAR

AMEMBASSY LAGOS

AMCONSUL CASABLANCA

C O N F I D E N T I A L MONROVIA 2130

E.O. 11652: GDS

TAGS: EAIR, EFIN, US, LI

SUBJECT: CIVAIR: DISCRIMINATION AGAINST PAN AM AND OTHER AMERICAN
FIRMS

BRUSSELS AND LAGOS FOR FAA

CASABLANCA FOR RCAA

REF: (A) STATE 088264; B) MONROVIA 1693; (V) STATE 068758;
(D) MONROVIA 1453

1. IN ACCORDANCE WITH INSTRUCTIONS, EMBASSY HAS SENT NOTE TO
MINFONAFFS EXPRESSING CONCERN OVER GOL DIRECTIVE THAT FOREIGN
CONCESSIONS IN LIBERIA USE SERVICES OF AIR LIBERIA EXCLUSIVELY
ON ROUTES THAT IT FLIES AND FOR TICKETING ON ROUTES THAT IT DOES
NOT YET FLY. TEXT OF NOTE IS CONTAINED IN REF D AND MODIFIED
REF C.

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2. EMBASSY HAD HOPED THAT, SINCE ISSUE AT HAND ONE OF DISCRIMINATION

IN SALE OF SERVICES RATHER THAN OPERATION OF AIRLINE, IT MIGHT BE CONSIDERED COMMERCIAL DISCRIMINATION WITHIN CONTEXT OF TREATY OF FRIENDSHIP, COMMERCE AND NAVIGATION (FCN). EFFECTIVENESS OF DISCRIMINATORY DIRECTIVE CAN BE SEEN IN FACT THAT, WHILE AIR LIBERIA HAS NOT YET RIGIDLY ENFORCED ITS NEWLY AWARDED MONOPOLY (PROBABLY BECAUSE OF AWARENESS OUR DISPLEASURE), IT HAS GAINED MORE THAN 15 PERCENT OF INTERNATIONAL TICKET SALES. YET ONLY ROUTE IT SERVICES WITH OWN AIRCRAFT IS TO FREETOWN.

3. EMBASSY HAD ALSO HOPED THAT ARTICLE I OF FCN HAD, IN FACT, PROVIDED FOR NATIONAL TREATMENT. IT STATES THAT NATIONALS OF BOTH STATES PERMITTED QTE TO CARRY ON EVERY FORM OF COMMERCIAL ACTIVITY WHICH IS NOT FORBIDDEN BY LOCAL LAW UNQTE, AND TO ENJOY THIS PRIVILEGE QTE UPON THE SAME TERMS AS NATIONALS OF THE STATE OF RESIDENCE UNQTE. IF THIS NOT THE CASE, THOUGH WORDING APPEARS CLEAR ENOUGH, OVERSIGHT MAY PROVE COSTLY TO U.S. PRIVATE INTERESTS IN LIBERIA. IN DIRECTIVE ON AIR LIBERIA, MINCOMMERCE STATED THAT IT GOL POLICY THAT CONCESSIONS USE LIBERIAN-OWNED SERVICES WHERE AVAILABLE (MONROVIA 0716). NEXT STEP APPARENTLY WILL BE TO FIRST ENCOURAGE AND THEN REQUIRE CONCESSIONS USE BANKING FACILITIES OF NATIONAL BANK OF LIBERIA (GOL CENTRAL BANK) RATHER THAN THOSE OF LOCAL SUBSIDIARIES/BRANCHES OF FIRST NATIONAL CITY BANK OF NEW YORK, CHASE MANHATTAN, CHEMICAL BANK, AND INTERNATIONAL BANK OF WASHINGTON. ON APRIL 17, DR. RALPH J. BUNCHE, JR., OF MORGAN GUARANTY TRUST (WHO VISITING HERE) ASKED AMBASSADOR ABOUT WHAT HE UNDERSTOOD WAS NEW GOL POLICY OF REQUIRING COMPANIES IN WHICH GOL HAS INTEREST OR WHICH HAVE PROFIT-SHARING ARRANGEMENTS WITH GOL (THE IRON MINES) TO OPEN ACCOUNTS WITH NATIONAL BANK. THOUGH WE AWARE THAT ALL GOL AGENCIES AND GOL-OWNED ENTERPRISES HAD TRANSFERRED ACCOUNTS TO NATIONAL BANK, THIS FIRST WE HAVE HEARD OF NATIONAL BANK MOVING IN ON CONCESSIONS. HOWEVER, AS POINTED OUT REF B, IT NOT UNEXPECTED.

4. DESPITE FACT THAT NOTE HAS BEEN SENT, WE CONTINUE TO BELIEVE THAT AIR LIBERIA ISSUE ONLY PART OF EMERGING PATTERN OF DISCRIMINATION BY GOL. MUCH STRONGER DEMARCHE WILL PROBABLY BE REQUIRED IF WE ARE TO PERSUADE GOL TO MEND ITS CONFIDENTIAL

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WAYS, PARTICULARLY IF GOL SHOULD ATTEMPT TO MONOPOLIZE BANKING BUSINESS OF CONCESSIONS. WE WOULD APPRECIATE DEPARTMENT'S ADVICE AS TO HOW WE MIGHT PROCEED IN SUCH AN EVENTUALITY.
MANFULL

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